



Fox Marble Holdings plc

("Fox Marble" or the "Company")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

Fox Marble Holdings plc (AIM: FOX), announces its interim results for the six months ended 30 June 2013

Highlights of the period and since period end

- Six quarries under licence and two further quarries under operating agreements
 - two quarries producing commercial quantities of marble
 - two further quarries expected to be in production by October 2013
- Land for marble processing factory purchased at cost of Euro €160,000
 - processing plant due to be completed in first quarter of 2014
 - production of marble slabs contracted out to Carrara in Italy until processing plant operational
- First offtake agreement signed with Pisani plc on 1 July 2013
 - encouraging level of other sales enquiries from UK and internationally
- Net cash at 30 June 2013 Euro €5,356,000
 - capital expenditure and operating costs within budget
 - further Euro €2,916,000 raised through issue of 14.7 million new 1.0p Ordinary Shares at 16.5p in August 2013

Chris Gilbert, CEO of Fox Marble, commented: 'In the first six months of the year we have made substantial progress in opening a number of quarries supplying commercial quantities of marble as well as signing our first off take agreement'

Enquiries

For more information on Fox Marble please visit www.foxmarble.net, or contact;

Fox Marble Holdings plc

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Chairman's statement

The Board of Directors of Fox Marble is pleased to present the Interim results of Fox Marble Holdings plc for the six month period to 30 June 2013. Good progress has been made in developing our quarries and building our resource and infrastructure in order to position the Company to commence sales to a wide range of potential customers in the UK and internationally.

As announced during the summer, good progress has been made in developing and acquiring the rights to a greater number of quarries than originally planned. We are encouraged by the wide range of interest and enthusiasm for our marble shown by potential customers. The marbles we are now extracting are of high quality, in large block sizes, and the quantities available are in line with our expectations.

The Board decided to develop further quarries in order to make available a wider range of distinctive marbles. As a result quarry development is taking longer than originally planned. We now expect initial sales of marble in the balance of the current financial year with volumes increasing significantly over the course of 2014.

Your Board believes that this strategic development provides better market positioning for our products and remains confident in the long term potential of the company.

Quarrying operations

I can report that two quarries are now producing commercial quantities of marble and two further quarries are scheduled to be extracting marble by the end of October. All the equipment for the four quarries has been purchased within the budget originally set for equipping two quarries.

We have strengthened the Kosovan management team to ensure that we have the correct level of resource and expertise as the Group expands. The Company now has six quarries under licence and has a further two quarries under operating agreements.

Processing plant

Fox Marble has acquired the land to build its processing factory which will allow for the production of marble slabs from the marble blocks extracted from our quarries. The purchase is a 99 year lease over 10 hectares of land situated in the district of Lipjan in Kosovo. The site is close to Pristina airport and with good access to two motorways and the rail network. Site preparation is underway and the equipment for the plant has been specified and is being sourced from Italy. The processing plant is expected to be completed in the first quarter of 2014 within budget.

Sales and Marketing

Fox Marble has acquired the rights to a yard in Carrara, Italy from which it supplies its block marble for contracted out production of marble slabs until the Company's processing plant is completed. As Carrara is the main marble centre in Europe, the Group has recruited a dedicated salesman there and we expect sales of marble from there in the near future.

Fox Marble signed its first offtake agreement with Pisani plc on 1 July 2013. Pisani is one of the leading wholesale suppliers of marble in the UK. We are launching the range of marble in the UK at the Pisani headquarters on 6 November 2013 at an open day and viewing to the Pisani customer base of architects, developers and designers.

Marble blocks, slabs and smaller samples have been sent over the past few months to a number of potential customers in many different countries across the world with encouraging feedback. The Company will now concentrate on demonstrating that it can produce marble of consistent quality and quantity to satisfy the needs of its customers, to build its reputation and to establish Kosovo as a leading source of a broad range of attractive and highly desirable marble globally.

Outlook

The Board is confident of Fox Marble's progress and expects to announce commercial sales of marble in the near future.

Andrew Allner
Non-Executive Chairman
20 September 2013

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Condensed consolidated statement of comprehensive income

	Note	For the six months to 30 June		For the year to 31
		2013	2012	December 2012
		Unaudited	Unaudited (Restated)	Audited
		€'000s	€'000s	€'000s
Administration expenses		932	351	1,230
Operating loss		932	351	1,230
Finance costs	3	134	138	170
Charge on conversion of pre IPO loan instrument	4	-	-	6,035
Loss before taxation		1,066	489	7,435
Taxation		-	-	-
Loss for the period attributable to equity holders of the parent company		1,066	489	7,435
Total comprehensive loss for the period attributable to equity holders of the parent company		1,066	489	7,435

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Condensed consolidated statement of financial position

	Notes	As at 30 June 2013 Unaudited €'000s	As at 31 December 2012 Audited €'000s	As at 30 June 2012 (Restated) Unaudited €'000s
Assets				
Non-current assets				
Intangible assets		95	93	89
Property, plant and equipment	5	1,489	619	-
Receivables		61	64	-
Total non-current assets		1,645	776	89
Current assets				
Trade and other receivables		125	118	85
Inventories		83	-	-
Cash and cash equivalents		5,356	7,144	285
Total current assets		5,564	7,262	370
Total assets		7,209	8,038	459
Current liabilities				
Trade and other payables		(312)	(198)	(133)
Total current liabilities		(312)	(198)	(133)
Non-current liabilities				
Borrowings	6	(1,205)	(1,130)	(1,535)
Total non-current liabilities		(1,205)	(1,130)	(1,535)
Total liabilities		(1,517)	(1,328)	(1,668)
Net assets / (liabilities)		5,692	6,710	(1,209)
Equity				
Share capital	7	1,361	1,359	567
Share premium		13,962	13,936	-
Retained loss		(9,767)	(8,700)	(1,754)
Convertible loan note option reserve		64	64	-
Share based payment reserve		36	15	-
Other reserves		36	36	(22)

Total equity attributable to equity holders of the parent company	5,692	6,710	(1,209)
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Condensed consolidated statement of cash flows

	Notes	Six months ended 30 June 2013 Unaudited €'000s	Period from Incorporation to 30 June 2012 (Restated) Unaudited €'000s	Year ended 31 December 2012 Audited €'000s
Loss before taxation		(1,066)	(489)	(7,435)
Adjustment for:				
Finance costs		134	138	170
Charge on conversion of pre IPO loan notes		-	-	6,035
Operating loss for the period		(932)	(351)	(1,230)
Adjustment for:				
Depreciation	3	88	-	10
Equity settled transactions		21	-	15
Costs settled via issue of shares	5	28	-	95
(Increase) / decrease in receivables		(7)	22	(73)
Increase in inventories		(83)	-	-
Increase / (decrease) in accruals		20	(18)	(45)
Increase / (decrease) in trade and other payables		95	(49)	43
Net cash (outflow) / inflow from operating activities		(770)	(396)	(1,185)
Investing activities				
Expenditure on acquisition of mining rights and licences		-	-	(6)
Expenditure on property, plant and equipment	3	(958)	-	(630)
Net cash outflow from investing activities		(958)	-	(636)
Cash flows from financing activities				
Proceeds from issue of shares (net of costs)		-	-	7,090
Proceeds on issue of convertible loan notes (net of costs)		-	-	1,189
Interest on bank deposits		-	-	2
Net cash inflow from financing activities		-	-	8,281
Net (decrease) / increase in cash and cash equivalents		(1,728)	(396)	6,460
Impact of foreign exchange differences		(60)	(4)	(1)

Cash and cash equivalents at beginning of period	7,144	685	685
Cash and cash equivalents at end of period	5,356	285	7,144

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Condensed consolidated statement of changes in equity

	Share capital	Share premium	Share based payment reserve	Other reserve	Convertible loan note Option reserve	Profit and loss reserve	Total
	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s
As at 31 December 2011	567	-	-	(79)	-	(1,265)	(777)
Total comprehensive loss for the period	-	-	-	-	-	(489)	(489)
Transactions with owners							
Capital reorganisation	-	-	-	57	-	-	57
As at 30 June 2012 (restated)	567	-	-	(22)	-	(1,754)	(1,209)
Total comprehensive loss for the period	-	-	-	-	-	(6,946)	(6,946)
Transactions with owners							
Share capital issued	792	13,936	-	-	-	-	14,728
Issue of convertible loan notes	-	-	-	-	64	-	64
Equity settled transactions	-	-	15	-	-	-	15
Capital reorganisation	-	-	-	58	-	-	58
As at 31 December 2012	1,359	13,936	15	36	64	(8,700)	6,710
Total comprehensive loss for the period	-	-	-	-	-	(1,066)	(1,066)
Transactions with owners							
Share capital issued	2	26	-	-	-	-	28
Equity settled transactions	-	-	21	-	-	-	21
As at 30 June 2013	1,361	13,962	36	36	64	(9,767)	5,692

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Notes to the Condensed consolidated financial statements for the period ended 30 June 2013

1. General information

Fox Marble Holdings plc and its subsidiary companies Fox Marble Limited, Fox Marble Kosova Sh.p.k, H&P Sh.p.k, Granit Shala Sh.p.k and Rex Marble Sh.p.k (collectively "Group") principal activity is the exploitation of quarry reserves in the Republic of Kosovo and the Balkan region.

Fox Marble Holdings plc, the Group's ultimate Parent Company, is incorporated in England and Wales its registered office is 15 Kings Terrace, London, NW1 0JP.

Fox Marble Holdings plc shares are admitted to trading on the London Stock Exchange's AIM market.

2. Basis of preparation

The results presented in this report are unaudited and they have been prepared in accordance with the principles of International Financial Reporting Standards as adopted by the European Union that are expected to be applicable to the financial statements for the year ending 31 December 2013.

The accounting policies applied in these results are consistent with those applied in the Group's Annual Report and Accounts for the year ending 31 December 2012 and those expected to be applicable to the financial statements for the year ending 31 December 2013.

This half yearly report does not constitute statutory accounts. Statutory accounts for Fox Marble Holdings plc for the year ended 31 December 2012 were prepared and have been filed with the Registrar of Companies. The Annual Report and Accounts 2012 for the Group are available at www.foxmarble.net

Going concern

The Directors have reviewed detailed projected cash flow forecasts and are of the opinion that it is appropriate to prepare this report on a going concern basis. Having regard to the existing working capital position and projected sales, the Directors are of the opinion that the Group has adequate resources to enable it to undertake its planned activities for the next 12 months.

Acquisition of Fox Marble Limited by Fox Marble Holdings plc

The results for the period ended 30 June 2012 have been restated to take into account the acquisition of Fox Marble Limited by Fox Marble Holdings plc on 3 August 2012. The acquisition has been treated as a group reorganisation by entities under common control. This transaction has been accounted for in the financial statements using the principles of merger accounting, as if Fox Marble Limited had been owned and controlled by Fox Marble Holdings plc throughout the prior period.

This treatment is consistent with those applied in the Group's Annual Report and Accounts for the year ending 31 December 2012.

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**Notes to the Condensed consolidated financial statements for the period ended 30 June 2013
(continued)**

3. Finance costs

	30 June 2013 €'000s	30 June 2012 €'000s
Interest expense and similar charges	67	49
Foreign exchange loss	67	89
	134	138

4. Charge on conversion of pre-IPO loan instruments

A non cash accounting charge of €6,035,228 was recognised in the income statement in the financial year 2012 relating to the charge on conversion of loan notes when the Company was admitted to AIM on 31 August 2012.

5. Property, plant and equipment

	Land and buildings €'000s	Plant and machinery €'000s	Office equipment €'000s	Total €'000s
Cost				
As at 31 December 2011 and 30 June 2012	-	-	-	-
Additions		619	11	630
As at 31 December 2012	-	619	11	630
Additions	160	795	3	958
As at 30 June 2013	160	1,414	13	1,587
Depreciation				
As at 31 December 2011 and 30 June 2012	-	-	-	-
Charge for the period		10	1	11
As at 31 December 2012	-	10	1	11
Charge for the period	-	86	2	88
As at 30 June 2013	-	96	3	99
Net book value				
As at 30 June 2013	160	1,318	10	1,489
As at 31 December 2012	-	609	10	619
As at 30 June 2012	-	-	-	-

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Notes to the Condensed consolidated financial statements for the period ended 30 June 2013 (continued)

6. Borrowings

	30 June 2013 €'000s	31 December 2012 €'000s	30 June 2012 €'000s
Convertible loan notes – Liability component	1,324	1,266	1,606
Capitalised transaction costs	(119)	(136)	(71)
	<u>1,205</u>	<u>1,130</u>	<u>1,535</u>
Convertible loan notes – Equity component	64	64	-

On the 31 August 2012 the Company issued €1,295,278 (£1,060,000) fixed rate convertible unsecured loan note 2017 with Amati Global Investors Limited (“Series 1 Loan Note”).

Interest accrues on the Series 1 Loan Note at 8% per annum from the date of issue due quarterly in arrears. The Company has elected to capitalise the interest due until 31 August 2014 in accordance with the terms of the instrument. See note 8 (Events after the reporting date) for further details.

On the 24 August 2012 the Company entered into a loan note arrangement to issue €2,443,792 (£2,000,000) fixed rate convertible loan notes due 2017 to AGMH Limited (“Series 2 Loan Note”). AGMH Limited, a company registered and incorporated in England and Wales with company number 08160250, is owned by Chris Gilbert and Etrur Albani, founders of the Group and Directors of the Company.

The Company has not drawn down funds from this facility and the facility was terminated on 24 August 2013, see note 8 (Events after the reporting date) for further details.

Between 25 August 2011 and 29 September 2011 Fox Marble Limited issued €1,508,807 (£1,195,000) of unsecured convertible loan notes due 2016 (“Pre IPO loan note”). In the event of admission of the Company and its parent to AIM these loan notes were to convert to a variable number of ordinary shares of the Company to provide a conversion value of 5:1.

On the 24 August 2012, following the acquisition of Fox Marble Limited by Fox Marble Holdings plc the loan notes were novated from Fox Marble Limited to Fox Marble Holdings plc.

Following the admission of the Company to AIM on the 31 August 2012 the loan notes with a carrying value of €1,508,807 (£1,195,000) were converted into 29,875,000 shares at an issue price of 20p, with a total value of €7,544,035 (£5,975,000) resulting in a non cash accounting charge of €6,035,228 being recognised in the income statement (see note 4).

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Notes to the Condensed consolidated financial statements for the period ended 30 June 2013 (continued)

7. Share capital

	30 June 2013	31 December 2012	30 June 2013	31 December 2012
	Number	Number	€'000s	€'000s
Issued, called up and fully paid:				
Ordinary shares of 1 pence each	108,082,404	107,950,000	1,361	1,359

On 30 April 2013 the Company issued 132,404 Ordinary shares at 18 pence (€0.21) per share to the Non-Executive Directors, who agreed to utilise their fees (net of tax) to subscribe for Ordinary shares at the Company's request.

Further issue of shares occurred in August 2013, see note 8 (Events after the reporting date) for further details.

8. Events after the reporting date

Equity fundraising

£2,427,000 (€2,815,000) before expenses has been raised through an equity placing of 14,712,116 new Ordinary shares at a placing price of 16.5 pence (€0.19) per share. These shares were admitted to the AIM market on 13 and 29 August 2013.

In addition Amati Global Investors subscribed £87,000 (€101,000) for 529,563 ordinary shares at 16.5 pence per share and have agreed to amend the terms of the Series 1 Loan Note such that the first year's interest to 31 August 2013 being £87,000 is payable in cash.

Series 2 Loan Note

The loan note arrangement between AGMH and the company was terminated on 24 August 2013. Third party legal and financing costs amounting to £166,250 (€193,000) were incurred by AGMH Limited in respect of the termination of the convertible loan note facility and the Company has agreed to pay an amount equal to those costs to AGMH Limited.